

GEOFFREY PAYNE & ASSOCIATES

Regulatory Guidelines for Affordable Shelter A case study of Ankara, Turkey

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CONTENTS

| | |
|--|----|
| <i>List of Tables</i> | 3 |
| <i>List of Figures</i> | 3 |
| <i>Annexes</i> | 3 |
| <i>Credits</i> | 3 |
| EXECUTIVE SUMMARY | 4 |
| THE CONTEXT | 6 |
| Nature of the local land and housing market | 6 |
| The policy environment | 7 |
| THE REGULATORY FRAMEWORK | 11 |
| Introduction | 11 |
| Objectives | 13 |
| Research methods | 13 |
| RESEARCH FINDINGS | 16 |
| Summary of the results of the interviews | 16 |
| Household survey | 16 |
| Case studies | 18 |
| Interviews with the stakeholders | 20 |
| Key findings from the workshop | 21 |
| Findings of the stakeholder interviews | 23 |
| A. The Head of the Planning Department (Municipality of Ankara) | 23 |
| B. Owner of a development company | 24 |
| C. Developer in a Gecekondu Transformation Area | 25 |
| D. The authorised technical representative of a housing co-operative | 27 |
| ANALYSIS | 29 |
| Evaluation of findings (substantive) | 29 |
| Evaluation of findings (methodological) | 29 |
| EFFORTS TO PROMOTE CHANGE | 35 |
| Reflections on achieving change | 35 |
| Recent legislative moves concerning local government reform and squatter settlements | 37 |
| Recommendations for action | 37 |
| Prospects for the near future | 39 |
| REFLECTIONS AND SUGGESTIONS FOR FUTURE RESEARCH | 41 |
| <i>Bibliography</i> | 42 |
| <i>ANNEX: Administrative procedures, fees and charges</i> | 43 |

LIST OF TABLES

| | |
|---|----|
| Table 1: Administrative procedures by relative costs..... | 31 |
| Table 2: Planning standards..... | 32 |
| Table 3: Planning regulations..... | 34 |

LIST OF FIGURES

| | |
|--|----|
| Figure 1: Location of the case study mahalles in Ankara metropolitan area..... | 14 |
| Figure 2: The view from transformation process in the squatter area of Dikmen district..... | 16 |
| Figure 3: The view from transformation process in the squatter area of Dikmen district..... | 16 |
| Figure 4: The view from transformation process in the squatter area of Dikmen district..... | 17 |
| Figure 5: The view from transformation process in the squatter area of Dikmen district..... | 17 |
| Figure 6: The view from new squatter development in Mamak –Serpmeevler district..... | 17 |
| Figure 7: Inputed share of the cost of the dwelling in Batıkent..... | 18 |
| Figure 8: Inputed share of the cost of the dwelling in Dikmen..... | 18 |
| Figure 9: Inputed share of the cost of the dwelling in Mamak- Serpmeevler..... | 19 |
| Figure10: Inputed share of the cost of the dwelling in Şahintepe..... | 19 |
| Figure11: Cost of Gecekondu in Dikmen Neighborhood Between 1973-1986..... | 19 |
| Figure12: The most important elements of housing cost as imputed view of the stakeholders..... | 20 |

ANNEXES

| | |
|--|----|
| Annex: Administrative procedures, fees and charges:..... | 43 |
|--|----|

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EXECUTIVE SUMMARY

This paper contains the findings and recommendations of a research project on the suitability of the regulatory framework for affordable housing. It was designed to find out how important was the role of planning regulations, planning standards and administrative procedures in providing adequate legal shelter for the urban poor. It was intended that the findings of the research be used as a yardstick by which one could assess the performance of the regulatory system. In order to achieve this end, surveys in various parts of Ankara, interviews with representatives of key stakeholder groups and a local workshop were undertaken between 2000-2002. An attempt has been made to compare costs involved in planning regulations, planning standards and administrative procedures in formal and informal settlements and a regulatory audit was undertaken using a basic matrix format adapted to reflect local circumstances. This enabled the extent to which each aspect represented a constraint to be identified.

It has been found that the regulatory framework plays an important role in discouraging people from using regular and formal channels for obtaining housing. Although this finding reflects reality, there are other factors of a more general nature that tend to make the housing problem more difficult.

In identifying the constraints created by regulatory frameworks for new development, cumbersome and mostly unnecessary administrative procedures seems more significant than planning regulations and standards. However, the latter was not insignificant.

No recommendations have been made to reduce the standards of provision for water supply, sanitation, drainage, etc. since these are required to protect public health and safety. Recommendations have focused on changes considered desirable for residential areas.

Assuming that all the elements of the regulatory framework contributed to the cost of the final housing product, though to varying degrees, it was considered advisable to eliminate them gradually. Therefore, short and long term recommendations for change have been proposed. In realising such changes, particular attention will be needed to the nature of each element under consideration in order to be sure how much their removal or relaxation will affect public order and safety, public health and the environment. In this respect, some of the requirements for obtaining relevant certificates can be either simplified or removed altogether. It is also important to remember that planning regulations, standards and procedures imposed by laws and regulations are more difficult to change compared with those required at the discretion of local decision-makers.

With such an understanding, the items mentioned below can be either simplified or removed in informal settlements and new settlements intended for the urban poor. Therefore it is recommended that necessary steps should be taken by the Ministry of Public Works and Settlement to implement changes.

Since some of the changes cannot easily be realised without the enactment of a law by Parliament, despite their relevance, it is more realistic to focus on what can be done through executive decisions and by local authorities. Shorter and longer term recommendations have therefore been presented in the paper. These include: The publication of information on administrative procedures, speeding up the processing of deposit payments and issuance of allotment letters and enabling residents to gain access to land more quickly.

Planning standards that are concerned with the size of the plots and width of roads in urban plans can be relaxed. As for planning regulations, those concerning maximum floor area, together with building setbacks (front, side and rear) building height and plot use can be removed.

The proposed law on municipal reform presently in Parliament aims to increase the powers of municipalities by transferring some of the traditional powers of central government to local authorities and will strengthen their financial basis. Municipalities should not only have more flexibility to expand their financial base by increasing taxes on land and property, but also they should be given the power to differentiate between the taxes to be collected in the poor and better-off areas of the cities. Land also needs to be set aside specifically to meet the needs of lower-income groups. As for the planning regulations, it is recommended that those concerning maximum floor area ratio, together with building setbacks (front, side, rear), height and plot use restrictions can safely be removed.

THE CONTEXT

Nature of the local land and housing market

Ankara, the capital city of Turkey, has been selected as the national case study city in order to test the main hypothesis of the research on the Regulatory Guidelines for Affordable Shelter. This sought to demonstrate that planning regulations, planning standards and administrative procedures constitute a major obstacle to the aspirations of the urban poor to get access to housing and land markets through legal channels. In other words, squatting, as the main instrument of the poor, has been necessitated, or exacerbated by inadequate and unrealistic features of the regulatory framework. To test this hypothesis, we have used a methodology which included a review of the legislation in force and of all relevant written materials. In addition, fieldwork has been carried out in both formal and unauthorised settlements and representatives of all stakeholders were invited to participate in a local workshop where they had a chance to express their views concerning the hypothesis, findings and recommendations of the study.

Ankara has a population of nearly 4 million and its rapid growth has been continuing since the beginnings of the 1960's. It was proclaimed as the State capital in 1923 and its core quarters surrounding the historical citadel comprising of customary dwellings lost its importance to a considerable extent as a result of the new formal development under the master plan and in later years to the dramatic increase in the number of squatter houses. It would not be an exaggeration to state that almost 65 percent of the population of the city lives in non-formal or informal settlements and the remaining 35 percent in formal dwellings. The share of the traditional type of houses that was nearly 5 percent in the early 1960's has been reduced to less than 1 percent at present.

It was estimated that the construction of 2.5 million new dwellings were needed in Turkey during the 7th Five-Year Development Plan that covered the period of 1995-2000. However, the number of the actually built houses did not exceed 1.3 million. The gap was filled by illegal constructions, according to the assessment of the newly prepared 8th Five-Year Development Plan (2001-2005, p.171). This means that unauthorised or informal buildings met less than half of the need. A considerable part of the need which arose during the period following 1999 was certainly due to the great Eastern Marmara earthquake (1999) that required the building of an additional 43,000 new dwellings.

The great majority of the illegal or informal building takes place in major cities that face an accelerated rate of urbanisation. Ankara is one of them. Its annual need for housing is 25-30,000 units. It is estimated that the rate of informal building is relatively higher in Ankara than in other major cities with the exception of İstanbul, which occupies the first order. Reliable data sources suggest that at least 15,000 gecekondu (squatter houses) are added annually to the housing stock in the capital.

In the formal housing market, the major public institution providing land, housing credit and technical assistance to the middle and lower-middle income families was the Mass Housing Administration. The Municipality of Ankara, the Land Office play a certain role in supporting the initiatives of the private firms, housing cooperatives and individuals in getting access into the formal land and housing markets.

As previous research has demonstrated (eg Keleş 1992; Keleş and Payne 1984), the greatest part of the housing need is represented by the poorest, the lower-income and lower-middle income families. Their shares in the total need may be assumed to be 25 percent, 50 percent and 20 percent, respectively. Only five percent of the urban families do not have any

problem in getting access to the formal housing, credit and land mechanisms. The latter are beyond the concern of housing policies of the government.

One of the important variables that is directly related to the growth of the illegally built housing stock is the uneven income distribution in Turkey and in the city of Ankara. According to the figures provided by the State Planning Organization (8th Five-Year Development Plan, 2001-2005, p.100), the share of the poorest 20 percent of the households decreased from 5.24 percent in 1987 to 4.86 in 1994, while the share of the richest 20 percent of households increased from 49.9 percent to 54.9 percent during the same period. Inflated land prices make access by the poorest groups to the formal land market practically impossible. Land is supplied by such institutions as the Mass Housing Administration, the Land Office and the municipalities in accordance with the procedures set by their own legislation. Formally, land development takes place in four different ways:

1. Through city development plans according to the City Planning Law,
2. Outside municipal boundaries, through partial urban development plans worked out by different public and private agencies;
3. Through partial development plans prepared for areas outside the limits of the city development plans, and finally;
4. Through legalisation of the title deeds by improvement plans worked out for squatter settlements in the course of rapid transformation.

The last category is composed mainly of the illegally constructed housing that provides considerable profit to the holder of the title deed, who had occupied the land illegally. In settlements that have been formed entirely informally through outright invasion by squatters, legalisation of titles are not permitted, in principle, until the enactment of a legislation pardoning the squatters. There is no doubt that there is always a large gap between needs and formal supply, but for the city of Ankara, it would not be misleading to assume that the gap filled by illegal housing does not increase percentage-wise, although it does not decrease either.

The policy environment

Prior to 1960, the State enacted several laws (1947, 1948 and 1953) to solve the problem of unauthorised housing and urban settlements. The basic three features of the policies implemented in this period were to:

1. transfer urban land freely to municipalities from the state and other public authorities to enable them to provide suitable land for the poor to build social housing and thus to prevent illegal building
2. prohibit new construction of gecekondu and
3. legalise the already built shelters.

At the beginning of the 1960's, the problem of illegal housing was regarded as a matter that should be handled by local authorities alone. However, towards the end of the 1960's, it was understood that it is only with the support and co-operation of central government that unauthorised settlements could be legalised and improved. Since the number of gecekondu increased relentlessly, the State, by enacting the new Gecekondu Law in 1966, preferred to adopt a less strict position towards these settlements and regarded them, at least de facto, as a fait-accompli, and focused its attention on upgrading, solving the tenure and ownership conflicts and providing technical and financial assistance to the poor families who were desperate to solve their housing problems through regular channels. However, pardoning those who illegally build their shacks for political considerations indirectly encouraged further unauthorised construction. After the 1960's, the Five-Year Development Plans formulated and guided housing, and particularly gecekondu, policies on the same lines.

One trend seems quite clear: Neither prohibition and demolition nor complete legalisation seemed realistic to policy-makers. As a result, a policy of compromise was adopted by trying to integrate these settlements with the formal areas of the cities and to let them transform by their own means as much as possible. This, of course, made it possible for the great majority of gecekondu settlers to make enormous profits out of the urban land they had occupied illegally. It was not politically realistic nor practically possible for the State to capture the added value on urban land created mostly by the State and local authorities.

Three stages are important in this evolution:

- 1) Prior to 1960, unauthorised building was regarded almost as a right of the poor families, realised mainly by self-help activities and by the support of their relatives and friends. Owner-occupation at this stage was the most common use. Renting out of the gecekondus was exceptional. The priority was given to the use value of the shelter.
- 2) During 1960-1970, the self-help feature of the building process prevailed, but the degree of renting out for profit-making purposes increased considerably. One family built one and then another gecekondu in order to increase the family income. Gecekondus began to be built not only by the labour of the family members and relatives, but also by hired workers.
- 3) After the 1970's and especially 1980's, partial commercialisation and commodification was replaced by complete commercialisation. In this period, gecekondus were no longer an output of self-help or mutual-help initiatives. Labour by the individual and his family members is almost completely removed from the production process. The design and the production of dwellings, the provision of the building plot and the realisation and safety of the illegal process of production were taken over by commercial firms. In this stage, it has become obvious that gecekondu building process is preferred in order to increase the exchange value of the dwelling. Perhaps inevitably, considerations of public interest lost their significance considerably in this evolution.

Article 57 of the Turkish Constitution entitled the "right to housing" empowers the State to take measures to meet the need for housing, within the framework of planning which takes into account the characteristics of cities and environmental conditions and to support mass housing projects. Although the title of the article just mentioned is the right to housing, the wording of the provision does not include such an expression. However, since one of the striking characteristics of Turkish cities is poverty and uneven income distribution, one may assume that the State is charged by the Constitution to deal with meeting the housing needs of poor families.

The duty of the State to support mass housing projects can be regarded as a positive step towards meeting the housing needs of the poor, depending upon the nature of the mass housing projects. In other words, in cases where non-profit organisations such as housing co-operatives composed of low-income members are used as the major instrument of this policy, one can assume that this provision of the Constitution would also favour the interests of lower-income families. Constitutional provisions concerning the restricting the right to property in the public interest, expropriation and the restriction of the freedom of residence with the purpose of ensuring sound and orderly urban growth empowers the State indirectly to deal with housing.

Legislation on gecekondus prohibits their construction. As a result, municipal police are empowered to demolish all gecekondus while being constructed or right after. No prior administrative or court decision is required for the demolition of gecekondus if they are built on invaded public lands. Those built on land belonging to private individuals can be demolished only upon the presentation of official documents proving the right to ownership.

Gecekondu legislation entitles both municipalities and the central government to provide two sorts of assistance to the likely gecekondu builders to enable them to construct formal housing complying with official standards, rules and regulations instead of attempting to build illegally. The first is to help increase the land stocks of municipalities to assist low-income families without shelter. The second is to increase the financial means of municipalities through specially created funds to carry out the goals of the legislation. Allocation to municipalities of lands belonging to the State, provincial local authorities and other public agencies, that exist within the municipal boundaries, is a real opportunity of improving the housing conditions of the poor, because the land thus acquired can be exclusively used for building social housing and for upgrading of squatter houses. In exceptional cases, however, municipalities are entitled to sell or to rent some of these lands according to the Law on Gecekondu.

Since the fundamental goal of the gecekondu policy is to assist the poor to meet their accommodation needs, it is vital to select the members of the groups in greatest need. This task is rendered enormously difficult to carry out as the number of applicants exceeds considerably the amount of available urban land that can be developed and allocated. Therefore, the legislators set certain priorities in the allocation of parcels to citizens, including the following:

- Those squatters who are or will be left without accommodation because of the demolition of their gecekondu,
- other families without shelter, and
- homeowners in gecekondu upgrading or prevention districts, who prefer to replace their gecekondu with social dwellings.

Priority is given to the poor and lower-income families in each of the above-mentioned categories in the allocation of urban land. The definition of poor and lower-income households is made neither by the Constitution nor by the Law on Gecekondu. It is left to the bye-laws and to the discretion of the Ministry of Public Works and Settlement. The Ministry of Public Works and Settlement through making periodical amendments in the respective bye-law seeks to adjust the criteria used there to the inflation rate. The principle is to set a fixed amount as the net annual income of a family of two persons with the addition of a certain amount for each child. In addition to the income criterion, it is required that the head of the household who requests the allocation of land, his or her partner and the children should neither own a house nor an apartment/flat somewhere in the country, nor possess a parcel of land suitable for building shelter.

The Law on Gecekondu provides some financial opportunities in order to help both municipalities and households to achieve its basic objectives. In particular, the Central Gecekondu Fund is used a) to provide housing credit to those that seek to buy a flat in the market or to repair his already owned flat with easy terms (a repayment period not exceeding 20 years and an interest rate not lower than 5 percent), b) to serve as a tool for carrying out of the task belonging to the State to provide technical assistance and equipment to squatter settlements and to build guest houses and core houses, and c) to assist municipalities in the implementation.

Since 1969, the State also plays an indirect role in the urban housing and land market through the Land Office. This has been established to function as a regulatory institution in the land market with powers to undertake land transactions and to provide land for such public investments and services as housing, industry, public health and tourism. One of the major reasons why the Land Office has not become a successful agency is that its capital was insufficient to operate efficiently in the land market.

With the establishment in 1984 of the Mass Housing Administration, housing finance has been largely centralised and a central pool, called the housing fund, began to be used as the

main source of mortgage lending. It must be noted that the terms of the credits of the Mass Housing Fund are favorable to the needs of not the poorest but the middle and lower-middle income households. According to the figures provided by the Administration, the share of the Mass Housing Credit in the total selling price of a social dwelling decreased from 85 percent in the middle of 1980's to 15 percent in 2002, due to the remarkably high inflation rates witnessed during the last two decades.

The central government prepares the general legal framework and the bases of major policy orientations for planning and development. The model bye-law guiding the municipalities to prepare their own development plans prepared by the Ministry of Public Works and Settlement. Although local authorities are in charge of working out city development plans in principle within municipal boundaries of the cities with a population exceeding 10,000, the central government still requires the authority to prepare master plans for cities of all sizes, including the metropolitan municipalities, under certain exceptional conditions.

For municipalities, housing was generally an optional function. However, municipal legislation empowers them to build low-cost council houses and to build on behalf of the municipality and to rent them, in case this optional duty is made mandatory by the decision of the municipal council.

No matter whether the central government or municipality holds the ultimate power to issue planning permission, most housing investments are made by private firms and individuals in Turkey. Even the housing co-operatives realise their mass housing projects through small or large-scale private firms operating in the market. Certainly, a considerable amount of undertakings in the fields of land and housing are being realised by agents in the informal sector. The relative share of their works in the total sector may be said to be around fifty percent, including Ankara.

THE REGULATORY FRAMEWORK

Introduction

The scope of the research involves an assessment of urban planning regulations, planning standards and administrative procedures in Ankara. These are distributed among numerous laws, law-amending ordinances, regulations, byelaws and ministerial orders. The fundamental framework of all these rules and restrictions is found in the various articles of the Constitution of 1982. The Urban Planning Law of 1985 is the basic document defining planning regulations. Planning standards are left to the bye-law concerning the principles for plan-making and the amendments in the plans. Bye-laws on the ways and procedures for their preparation sets the main principles for plan-making. Another bye-law possesses the principles concerning amendments in the master plans. It limits the scope, sets the conditions and the number of cases where a city master plan can be amended.

City master plans include proposals concerning future land uses, major existing zones in the city and their future population density, building densities when necessary, the direction and scale of the territorial expansion and future transportation systems. Implementation plans are concerned with the details of building blocks, their densities and orderly development, roads and possesses detailed information necessary for the implementation stage. Not only implementation plans must conform with the city master plans, but both must be prepared in conformity with the principles laid down by regional development plans and environmental plans.

Development plans concerning areas within municipal boundaries are prepared by the municipalities in cities with a population 10,000 and over. This figure was 5,000 before the early 1970's. The preparation of the master plans for areas outside the boundaries of the municipalities is the duty of the governor's offices. The governorate carries out this function through the provincial directorates of the Ministry of Public Works and Settlement.

The Ministry of Public Works and Settlement, as briefly touched upon above, has, in certain cases, the authority to draw up a master plan for a municipality, by simply informing it, or by co-operating with it. These exceptional cases are:

- plan-making or plan modification with the purpose to provide sites for public buildings,
- working out plans for disaster areas,
- preparation of plans for the areas where there are mass housing construction activities,
- planning activities in squatter settlements,
- planning works concerning metropolitan regions covering the jurisdiction of more than one municipality, and finally,
- planning nodal regions at the crossroads of highways, railways, and having the airports.

Both the Ministry of Public Works and Settlement, and the Ministry of Tourism possess vast planning powers in the regions and centres of tourism in accordance with the provisions of the Law on the Encouragement of Tourism. The Ministry of Public Works and Settlement also influences the infrastructure and the public service development in cities and towns through the Bank of the Provinces (an institution that not only finances the undertakings of local authorities but also realises most of their infrastructure and other service projects).

All subdivision plans within the limits of the master plans have to be approved by the municipalities. Outside these boundaries and in the expansion areas, it is the governor's office that has the power to approve subdivision plans. Besides, developers are required by the law not only to get the subdivision plans approved but also to undertake all necessary work to complete the roads, sewerage systems and running water network of the sites concerned

(Art.23) in order to be able to get building permit. They may wish to ask the administration to realise the necessary infrastructure investments by paying its cost.

The Law on Gecekondu (Squatter Houses) of 1966 is another law describing the general regulatory framework for housing of low-income households. It aims to:

- improve the conditions of both gecekondu buildings and gecekondu settlements,
- demolish those gecekondu which are unsuitable for improvement and, finally
- prevent building new gecekondu.

Although the powers to achieve the above mentioned goals were given to both municipalities and central government by the Law on Gecekondu, a subsequent law amending ordinance adopted in 1985 (No: 247) has transferred to the municipalities all powers of the Ministry of Public Works and Settlement concerning the implementation of the said law. Despite this fact, the central government continues to play a significant role in the housing sector through its vast powers recognised by the legislation on mass housing, land office, housing finance and planning and development in general.

The Law on Gecekondu provides some financial opportunities in order to help both municipalities and the families to achieve its basic objectives, on the assumption that land allocation without corresponding financial means would not produce the expected results. The Law established two funds for this purpose: The Municipal Gecekondu Fund and the Central Gecekondu Fund.

Since its beginning, the gecekondu phenomenon was regarded by the concerned legislation as an illegal action and therefore was forbidden in Turkey. As a result, about a dozen laws and law amending ordinances enacted during the last half century to regulate the gecekondu building process aimed to forbid their construction¹. The attitude of the State was to apply a double standard in this respect and attempted to legalise already built gecekondu up to a certain date by each of the below-mentioned laws providing them land titles, public services, infrastructure and other amenities.

The legislation creating the Land Office was put into effect in 1969 (Law No: 1164). It was going to function as a regulatory institution in the land market through land purchase and sales and to provide cheaper land for housing, industry, tourism and public health. It is also authorised to expropriate lands and buildings belonging to private individuals or corporate bodies within the areas planned for such uses as housing, industry, public health and tourism in order to realise its aims.

The Mass Housing Law of 1984 (No: 2985) that set up the Mass Housing Administration is another law that regulates the principles and procedures concerning the activities of large-scale developers and help develop building techniques, equipment and materials best suited to the needs and resources of the country. The Mass Housing Fund created by the same legislation is used to finance mass housing projects of housing cooperatives and firms and to assist also individuals to finance their accommodation needs.

As explained above, housing is not among the mandatory duties of municipalities according to the Municipal Law of 1930 (No: 1580). However, a subsequent law passed in 1950 (No: 5656) empowered local councils to move this optional function to the category of obligatory functions. Municipalities that have not used this power during 1950-1980 period extensively, began to enjoy that possibility since 1980 by the encouragement of co-operative initiatives.

¹ The gecekondu laws enacted until present: Their number and the date of publication in the Official Gazette: 5218 (Official Gazette: 22.6.1948, No:6398), 5228 (6.7.1948, No:6950), 6188 (29.7.1953, No:8470), 7367 (29.7.1959, No:10265), 327 (1963), 775 (30.7.1966, No: 12362), 1990 (15.5.1976, No: 15588), 2805 (21.3.1983, No:17994), 2981 (8.3.1984, No:18335), 3290 (7.6.1986, No: 19130), 3366 (26.5. 1987, No:19471), 3414 (11.3.1988, No: 19751).

The special law on the Administration of Metropolitan Cities of 1984 (No: 3030) defined the general framework of planning in which upper and lower-level (or district) municipalities could co-operate for planning purposes. According to this arrangement, the preparation of city master plans is in the power of the upper-level municipality while the lower-level municipalities have the duty to prepare their implementation plans, subject to the approval of the former. Such a division of labour created tensions in practice and at times paralysed the functioning of the public service simply because the nature of the planning function was not suitable for division. A law that was passed in the same year as the Law on Upgrading of the Gecekondu and Squatter Settlements of 1984 (No: 2981), starting from the rationale of the same division of labour, empowered the district municipalities to work out and implement the improvement and upgrading plans of gecekondu settlements.

A related act is the Law on Co-operatives of 1969 (No: 1163) that regulates the formations and operations of non-profit housing organisations realising more or less large-scale housing projects democratically, on their own responsibility, with some technical and financial assistance by the State. In order to encourage local authorities to engage in co-operative housing by providing guidance to them, public corporate bodies such as municipalities, provincial local administrations and village administrations and corporate personalities subject to private law have been given a chance to initiate the creation of housing co-operatives by the Law on Co-operatives.

Although the planning regulations are found in more than one legislative document, including the Law on Urban Planning, planning standards to be used in the master plans are partly shown in the Urban Planning Law and partly in the bye-law entitled as the Bye-law Concerning the Principles for Plan-Making and the Amendments in the Plans (Official Gazette: 2.11.1985, No: 18916). According to the Articles 10 and 12 of that bye-law, planning standards in the tables appended to the Bye-law will be used in the preparation of the plans of all scales. A list of all these standards can be found in the annexed pages.

Objectives

The main question that the case study aims to answer is to find out to what extent planning regulations, planning standards and administrative procedures prevent the poor from entering into the formal land and housing markets. On the basis of the diagnosis of the researches carried out, options for change were explored and policy recommendations submitted to the decision-makers. It was assumed that if the relative costs of each course of action, in other words, of different methods of housing were known, then it would be possible to make necessary changes in the system to enjoy the advantages of the most promising model. Such an analysis would undoubtedly enable anyone considering undertaking regulatory audits prior to reach a decision in these matters.

The major costs considered in the research were the main constraints encountered in the way to obtaining formal land and housing. These are land, labour, housing credit, construction materials, the cost of the bureaucracy, and bribery as a tool of the irregular sector.

Research methods

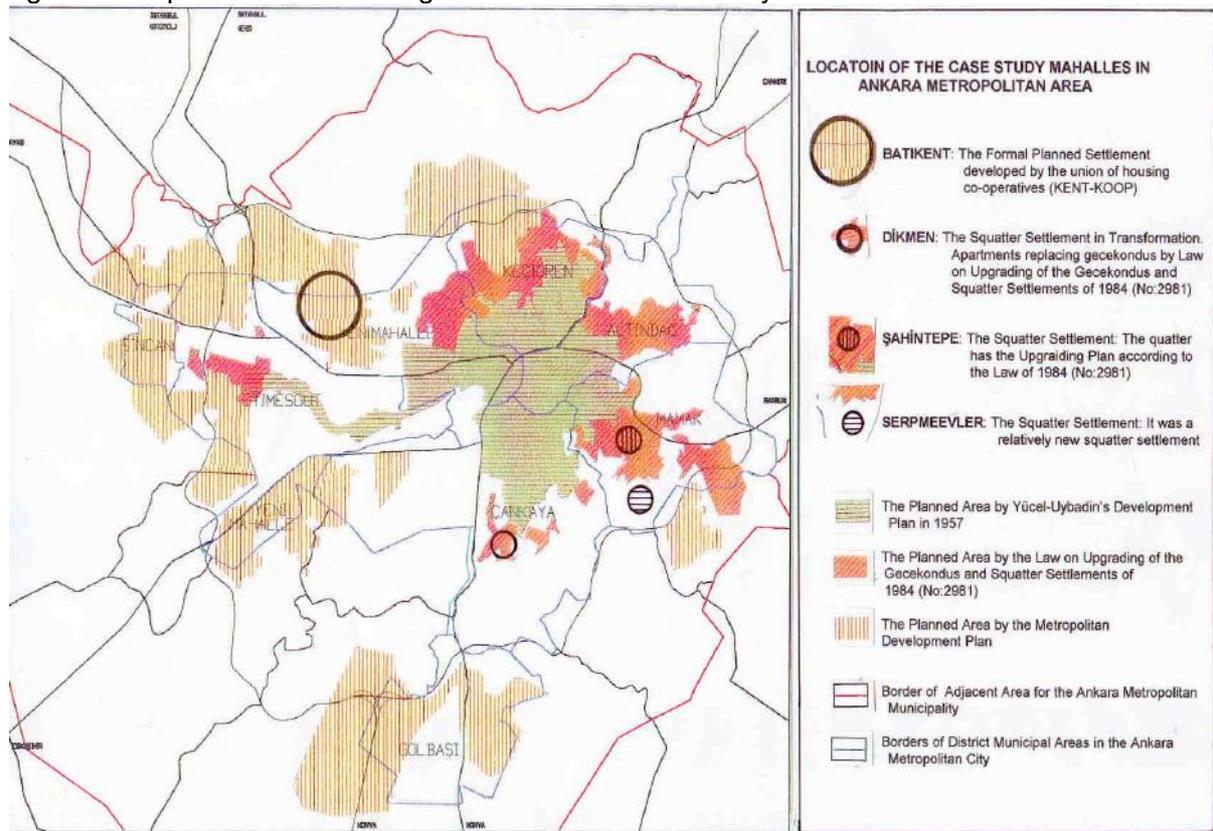
When determining the research methodology, we considered two major types of options open to the families: One was regular and formal housing and the second informal housing, known locally as gecekondu. Various dwellings in different conditions and built at different times although all built illegally therefore fall into the second category, though these are sometimes in the stage of rapid transformation from being a squatter house to improved and legally recognised dwellings. Although all dwellings in squatter settlements were built

illegally, they differed from each other in terms of their general conditions and the time of construction. Some were in a stage of transformation from being a squatter house to becoming an improved and legally recognised dwelling. The latter may be regarded as a third category. Cost, time and accuracy have all been used as a means of analysis in making our choice of case study settlements in the city of Ankara.

Two surveys were organised and carried out in Ankara, in addition to reviewing the relevant legislation and other written materials. It was expected that the findings of these surveys would help identify at least some of the reasons preventing low-income families from getting access to affordable housing. Since results of these surveys did not provide the information needed, particularly with respect to different cost components, a few additional interviews have been carried out with developers and builders. In assessing the regulatory framework based on these data, one should keep in mind that in a country where the annual inflation rate is nearly seventy percent, comparability of the figures belonging to different periods creates a serious problem.

One of the surveys dealt with the socio-economic conditions of the residents of four different settlements in Ankara (see Fig 1). The first two locations were typical and relatively new gecekondu settlements. The third was a squatter settlement in rapid process of transformation towards becoming a regular and planned settlement. The fourth case study was a planned settlement (Batikent) realised by the city of

Figure 1: Map of Ankara showing location of the case study settlements



Ankara in the late 1970's and throughout the 1980's through a union of housing co-operatives called Kent-Koop, and was included in the survey with the purpose of ensuring comparability.

Questions were asked with regard to social and economic conditions of the households, the characteristics of the dwellings and the ways in which the dwellings had been built.

Interviews were completed and all other relevant published and unpublished materials concerning the historical development, administrative status, relationships with local and national planning authorities gathered. It was intended that the inclusion of one planned settlement (Batikent) in the survey would enable the researchers to compare the differences both in the cost of entry into the housing market and in the efficiency of the process of house building.

The second survey covered major stakeholders and included the representatives of the central departments dealing with housing and urban development, local authorities, professional organisations, NGO's and academics. People representing the Ministry of Public Works and Settlement, Mass Housing Administration, Land Office, State Planning Organisation, municipal officers, professional organisations, and academics, were among those who have been interviewed. They were asked to give an account of their experiences and to express their opinions with regard to the adequacy of planning standards, planning regulations and administrative procedures that they considered were affecting the entry of the poor into the regular land and housing market.

Interviews were carried out with 70 household heads in different squatter settlements and in the planned settlement areas. The number of questions asked in each of the interviews ranged between 35 and 45. The number of interviews realised with the stakeholders was about 25. A local workshop was organised with the participation of about 30 persons representing the majority of stakeholders to exchange views on the main assumptions and policy options of the project.

Since the information provided by the residents of squatter settlements, by other respondents and the stakeholders did not provide us reliable figures, as noted above, to validate our hypotheses, several more interviews were held with developers and builders.

RESEARCH FINDINGS

Summary of the results of the interviews

The answers to the questions regarding the basic socio-economic characteristics of the households and the general conditions of the dwellings in the squatter settlements were found not to be so important for the purposes of our present discussion. However, information about the infrastructure situation and the opinions on the planning standards and regulations are quite relevant for the affordability of housing. They also shed some light into the cost structure of the illegally built houses. There was general agreement among the residents of the squatter settlements that land was a much more important cost factor than construction as part of the total cost factor of housing. Except in Batıkent, where the land was provided by the municipality, urban land was mentioned as the most important cost component.

Household survey

One of the settlements that was surveyed was Batıkent in Ankara. Batıkent is an example of planned development within the boundaries of the Yenimahalle District municipality. It was created during the 1980s-90s by a union of housing co-operatives, called Kent-Koop, comprised of nearly fifty co-operatives, by the initiative of the city of Ankara. The survey conducted in four different neighbourhoods of Batıkent included 21 interviews with household heads. The second settlement surveyed was at Şehit Cengiz Karaca (Dikmen). This became a residential area during 1952-1965 where basically semi-rural lands became subject to commercial transactions (see Figures 2-5). The process of selling large-scale semi-rural lands as informally shared public lands accelerated during the 1970's. At the end of the 1980's, there was no land left vacant on which to build gecekondu. At the beginning of the 1990's, two local development (upgrading) plans were prepared, which accelerated the process of transformation by creating development rights for the former residents.

Figure 2 (photo by Nilgün GÖRER)



Figure 3 (photo by Nilgün GÖRER)



Figure 4 (photo by Nilgün GÖRER)



Figure 5 (photo by Nilgün GÖRER)



Şahintepe (Mamak) is the third area where surveyed as an example to informal settlement. This was established in the second half of the 1950's and the Municipality of Ankara prepared an upgrading plan and used the planning powers given to it by the City Planning Law (Art.18) for forced reparcelling. The transformation that started several years ago took place primarily along the major streets. Nearly 60 percent of the gecekondu have already started to be transformed. The last settlement, namely Akşemsettin or Serpmeevler (Mamak), was created during the 1990s, primarily as a result of the acceleration of the gecekondu formation process during the local election period of 1994. It is the least developed of the settlements surveyed, built on the forest land, completely deprived of an upgrading plan, having connections to the regular water network, electricity and sewerage systems (see Figure 6).

Figure 6 (photo by Birsen YANKIN)



Interviews revealed that only one fourth of the gecekondu are built by their owners themselves while three quarters benefited from the input of construction workers. This fact demonstrates that the informal housing sector has generally lost much of its self-help character.

Access to housing begins with securing a certain amount of financial means. Individuals do not achieve this end alone. For low and middle-income Turkish families housing is a *family strategy*. Financial means accumulated through familial solidarity (such as gold, jeweleries, savings, real estate, etc.) are organised in order to realise the initial investment. In the following phase, solidarity continues to exist in order to ensure the repayment of the debts. This solidarity sometimes taken a form of power demonstration against the State in unauthorised settlements. Occupying public lands and allocating a site to build to the

relatives for gecekondu construction is an example of such solidarity. The following individual cases are examples of this cooperative action.

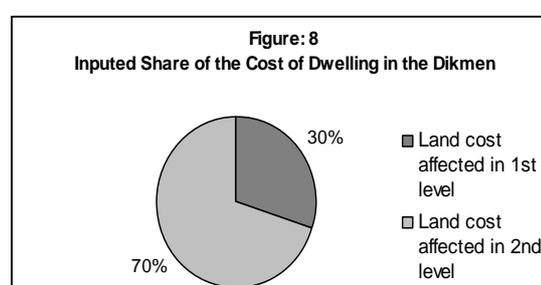
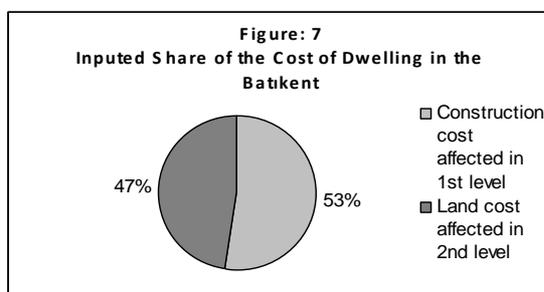
Case studies

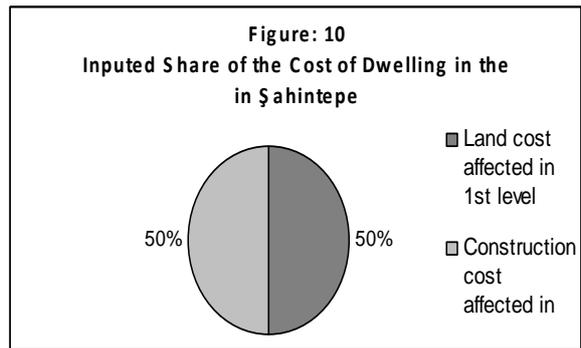
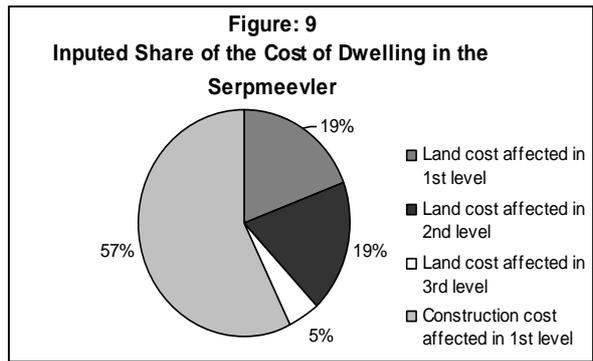
Memiş Yazar is a retired public servant. His monthly salary is 130 million TL (in 2001). His 100 square metre gecekondu is built on a plot of 250 square metres in Serpmeevler, Mamak. He paid 6.000 TL. per square metre of the land that he bought from a broker. He used consumer credit received from a commercial bank in order to built the gecekondu. He bought second hand building materials to be paid in instalments. He built the house himself. Municipal police has destroyed it many times. The city of Ankara provided water and sewerage services to Serpmeevler in 1995.

A gecekondu owner living in the same quarter (who did not want to mention his name in a written document) has a monthly income of 200 million TL. He is working in an office on the wage basis. He bought the land in 1990. He paid 12 million TL. for the land that is 400 square metres, to the broker. He borrowed from a commercial bank 9 million TL. consumer credit in order to build the house. (He has to pay 12 million TL.back). As a result of the demolition of the house several times by the municipal police, all his expenditures amounted to the price of an apartment flat. He built the gecekondu, simply he was unable to find a suitable and affordable rental dwelling.

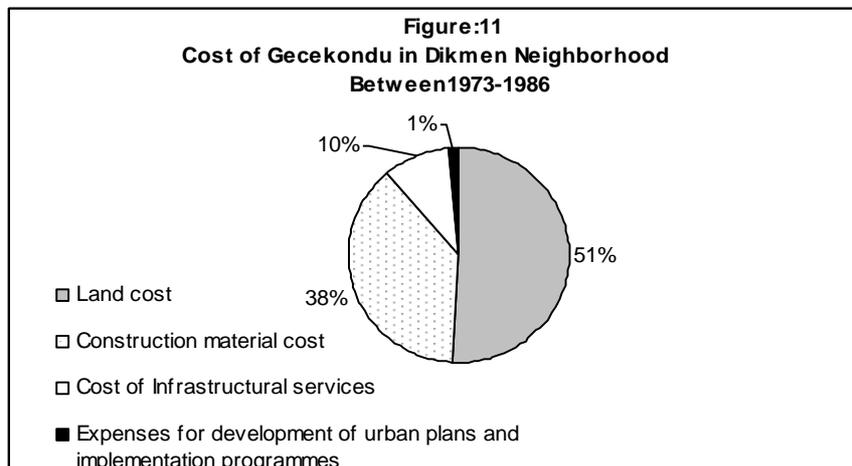
He is a gecekondu owner in Serpmeevler. He is working as a technician with a monthly salary of 270 million TL. He built his gecekondu on the land owned by his brother in law. The land is 200 square metres and the floor space of his dwelling 85 square metres. His gecekondu has been demolished three times by authorities. He provided bribery to the municipal police in the form of gifts. He borrowed gold from his relatives that is worth 50 million TL. Since 100 million TL. was needed then in order to become housing co-operative member, he needed 70 million TL. more to manage to muster it with his own 30 million TL. savings. As a result, he was obligated to build the gecekondu.

İbrahim Eryılmaz is a gecekondu owner in Dikmen. He is a retired civil servant with a monthly income of 125 million TL. His gecekondu is as level as 75 square metres. He bought the land from someone who is from Yozgat by paying 3500 TL. in 1973. The gecekondu was destroyed twice. In 1975 prices, the construction cost of the gecekondu was 266 TL. His expenses for the infrastructure services were as much as 90,000 TL. in 1977 (electricity 50,000 TL, water 40,000 TL.). He paid 446,000 TL. to the municipality in 1986 in order to get the allocation certificate for the land. In the same date, he paid 11,000 TL. to the certified private bureaus for some minor technical services.



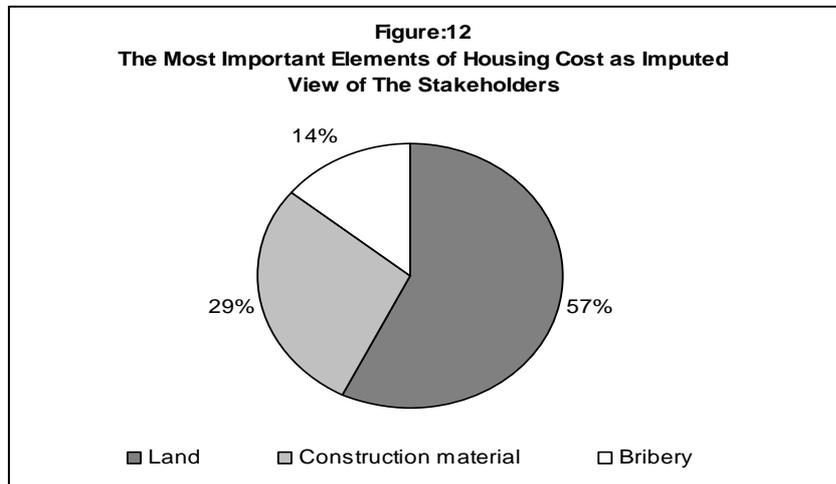


A common observation is that the municipal charges paid for technical infrastructure such as running water, sewage disposal, road construction and electricity installations occupied a much smaller place in the total cost. The same observation can be made also for the share of the expenses for working out of urban development plans and implementation programmes. The share of the various municipal charges is also negligible in the total construction cost.



Interviews with the stakeholders

Most of the stakeholders believe that the main factor causing illegal building was economic troubles and the lack of suitable urban land. However, a great number of respondents saw the administrative and bureaucratic formalities and the legal rules for land development and planning as not the sole but one of the basic reasons for unauthorised construction. The majority of the stakeholders tend to regard gecekondu as much cheaper than legally built dwellings. This does not exclude the observation that according to some of them, gecekondu



can be regarded cheaper perhaps from the point of the individual in the short run but more expensive for the society as a whole in the long run.

An attempt has been made to see what was the difference between the relative shares of the cost elements in gecekondu formation on one hand and in legally built dwellings in regular settlements on the other. In both settlements, according to the stakeholders, land cost ranks at the top. As shown in Figure 12, representatives of the private sector and the NGO's considered that bribery represented the highest element of housing costs. For the gecekondu, the cost of land was followed by the cost elements such as labour and bribery. Building materials was mentioned as the least important cost component (see Figures 8-11). On the other hand, in regular and legally formed settlements, the priority order of cost allocation following the urban land was (see Figure 7) the following: building materials, labour and the profit of the entrepreneur.

In addition to the opinions concerning cost aspects, a considerable number of stakeholders believe that the regulations concerning housing finance and urban development were designed to favour the needs of the middle and upper-middle income families and not of the poorest. As far as the planning standards and planning regulations are concerned, general consensus is that they are realistically formulated. The views differed as to the likely solutions. Some thought that the total relaxation of planning standards and regulations should be out of the question, but others suggested that they have to be improved further and even tightened with more efficient sanctions. It is believed that the regulations requiring that illegally built dwellings should not be provided with occupation permits, water, electricity and sewerage facilities should be applied properly. However, it is well known that this rule is not implemented effectively in practice for various reasons. Very few of the stakeholders are inclined to recommend municipalities to act with more flexibility in this respect.

Inadequacy of the housing credit mechanisms was another reason pushing the urban poor out of the affordable housing market. Therefore, formation of new housing credit organisations in co-operation with banks and insurance agencies has been suggested.

Relaxation of planning regulations concerning the protection of natural and historical values and safeguarding against the natural disasters and fires were not welcomed by the stakeholders. As a topic closely related to the gecekondu formation process, it is suggested that land belonging to the State should be sold to the gecekondu owners or to the prospective gecekondu builders after having been planned by the municipalities. There were also suggestions that municipalities and housing co-operatives should co-operate in planning the squatting sites occupied by or to be devoted to low-income families. The biggest responsibility was lying with the State in this respect.

In principle, pardoning illegal building acts of the squatters are not approved on the ground that it would encourage new squatting on publicly owned land in contravention of planning standards and regulations, it would increase the profit of the entrepreneur and legalise the actions of those who brake the laws. That would also contribute to the deterioration of the environmental conditions. Therefore, pardoning was regarded by the majority of the stakeholders as an unjust instrument to legalise unauthorised settlements because it was thought that it would penalise those who obeyed the laws and reward those who broke the law. Fines and even prison sentences are recommended for illegal building by a limited number of respondents. Finally, very few stakeholders seemed to be in favour of simplifying these rules.

As briefly noted above, the least reliable data collected during the interviews and from the public authorities were those concerning the various elements of the total construction cost. It is obvious that without having adequate information on cost components, policy options for affordable shelter could not be developed. Similarly, since the opinions of the respondents on the relative impact of planning standards, planning regulations and administrative procedures upon the gecekondu formation process have differed widely, several new and more detailed interviews with a few developers, planners and contractors were initiated and a summary of these in-depth interviews is given below.

Key findings from the workshop

Almost all of the foregoing observations were repeated during the local workshop held in November 2001. There was a consensus that existing planning standards and regulations were partly responsible for the formation of squatter settlements in Ankara and that they were aggravating the problems of gecekondu settlements. However, their impact should not be exaggerated, because there were other factors contributing to the aggravation of the squatting problem. These included macro issues such as income redistribution, eradication of poverty, economic instability and decreasing the rate of inflation as preconditions of enabling the poor to have access to regular housing market. Some other recommendations dealt with lower-level or micro problems that might also be taken up at the local level in co-operation with the central government, professional organisations, the private sector and the NGO's.

Within the remit of the project, an attempt was made at the end the workshop to see whether an agreement could be made between the various points raised during the discussions. However, it was difficult to make generalisations and the viewpoints were rather diffuse even among the participants with similar arguments. For example, various responses have been received to the question as to what measures they would propose in order to reduce the cost of dwellings built in accordance with laws. It was noted that whilst Turkey was not a poor country in the accepted sense of the term, its experiences could be relevant for other poorer countries. In the process of house building in Turkey, planning regulations were extremely loose and therefore squatting was actually permitted for an extended period of time. However, a similar laxity in enforcing building standards resulted in massive damage during the last earthquake in 1999. Therefore, it seems important to decide on which matters government should be strict and in which matters more flexibility is desirable.

Efforts to reduce the cost of access to formal housing were partly under the responsibilities of the Mass Housing Administration and local municipalities. However, it was difficult for these to meet the needs of lower-income households when the regulations under which they operated were designed to favour primarily middle and upper income groups. For the poor, one participant, the muhtar in a gecekondu area noted that the residents of his part of the city were actually encouraged by the then Prime Minister Mr. Özal to occupy publicly owned lands and build their own squatter houses. However, it was also agreed that housing is no longer a self-help business and is built by specialised builders and contractors which denies the poor this traditional option. Another means by which poor households traditionally improved their economic status, by selling their gecekondu properties to a developer, is now less effective in that the introduction of upgrading plans, has reduced land prices slightly in some growth areas. As a result, the part received by landowner that decides to transform his squatter house to apartments in flat ownership now receives 25-30 percent as compared with 50-55 percent in the early 1990's.

Most participants agreed that the cost of the bureaucracy was a major cost factor. Excessive formalities in building and planning were a part of the general problem of bureaucracy in the country. Several suggestions were made to reduce them, including exemption from the requirement of getting building licenses for smaller dwellings. One participant noted that amendments made to Articles 26 and 27 of the City Planning Law in 1985, in order to avoid long delays in getting building permits from the municipality and to prevent unnecessary increases in the cost incurred to building licenses, With this change in the Law, chartered technical firms were given the power to issue building permits in certain cases and buildings smaller than a certain size have been exempted from the requirement of getting building permits. However, the Constitutional Court turned down this amendment on the ground that it was not in conformity of the principle of the protection of the public order. Since 1986, where this decision had been taken by the Supreme Court, nothing has been done to reduce the number of administrative procedures. He suggested that the cancelled provision was a kind of cost reducing device and therefore certain new facilitating measures should be taken especially for the dwellings to be constructed for single family use. Professional organisations should also assist in the preparation of such standards that should not exceed a certain limit to be put on the floor space area of each low-cost dwelling. User charges for building permits may be reduced by minor changes in the Law of Municipal Revenues.

There was consensus on the need to revise the real estate tax in such a way as to expand its base, increase its rate and to enable the city councils to differentiate between the tax to be paid in the poor and richer zones of the city. It was pointed out that only 2.4 percent of the municipal revenues were deriving from the real estate tax in 1997. The share of the taxes in the total municipal revenues was just 8.5 percent. Most of the revenues of the municipalities were the funds transferred from the central government. The proposed change would give the poorer families the chance to easily reach social housing at reasonable prices. Two months after the workshop, the Parliament passed a new law increasing the rate of the real estate taxes (nearly twice as much) although the share to be left to the municipalities remained either the same or diminished.

Another point of consensus was the multiplicity of bureaucratic institutions in charge of formulating and implementing planning standards, regulations and administrative procedures. Enactment of the Law on Squatter Houses in 1966 had relaxed the standards and regulations to a certain extent and had provided a certain flexibility. Now it is time to go further and expand the scope of application.

Another point is the lack of will in decision-makers. The State has to commit itself to revise most of its standards, regulations and procedures in such fields as urban land, housing finance as well as the definition of the poor and lower-income families. However, it was

generally agreed that standards, regulations and administrative procedures could not be held responsible as the only determining factors causing illegal building.

As a final remark, it was noted that the population of Ankara was approximately 4 million and is increasing by about 3 percent per year. Compared with ten years ago, it is obvious that the pace of urban growth has considerably slowed down and most of the current increase can be attributed to natural growth. The share of rural to urban migration in this increase is negligible. This means that annual growth of population is 120,000. Assuming that the average size of a household is 4 persons, the city needs approximately 30,000 dwelling units annually. If one thinks that the construction of 20 units requires one hectare, there may be a need for 2,000 hectares of land per year. This figure is required not for the solution of the problem, but for merely to avoid its expansion. The figures may be debatable. To date, Ankara has already resolved its problem by producing 30,000 gecekondus per year. No one sleeps on the streets. The squatter houses in Ankara are much better than those in other countries. The challenge is to improve their environmental conditions, to solve their land use problems and to realise their social integration. It is widely accepted that those living in squatter houses have eventually become rich. If the main goal of the housing policy is to eradicate poverty, that goal has already been achieved in this sense. House production process in Ankara is highly efficient. But, it may not be considered as sufficient. When one attempts to make an assessment of the gecekondu formation process over the last 20-25 years with respect to its commercial value and acquisitions, one can see that its biggest contribution is the low entry cost into the market.

Findings of the stakeholder interviews

A. The Head of the Planning Department (Municipality of Ankara)

Planning regulations

The main factor causing extension of the period of construction and the increase in cost of building is that everyone aspires to get some share out of the land plundering. Power distribution in the planning process is not appropriately regulated. The power to prepare master plans (scale 1:5000) belongs to upper level (metropolitan) municipalities and the authority to work out the implementation plans (scale 1:1000) belongs to lower level (or district) municipalities in the largest cities, including Ankara. District municipalities tend to extend the period in which they have to terminate the preparations of the plans unnecessarily just for political and other reasons. This makes loose the possibility of co-operation in plan making between the two levels of local authority. Therefore, the organic law of the metropolitan municipalities of 1984 (No:3030) has to be changed with a view to concentrate all planning powers at one level, namely the metropolitan municipality.

Planning standards

The services of engineers and architects are prohibitively expensive. This is another reason that contributes considerably to illegal building. For example, the preparation of subdivision plans are sometimes as expensive as the price of the site. It varies between 6 to 15 percent in Ankara. According to 2001 unit cost figures announced by the Ministry of Public Works and Settlement, the unit construction cost of a dwelling of 100 square metres is 140 million TL (\$101 per square metre). The corresponding figure per square metre for a gecekondu is 25-30 million TL, making it three or four times cheaper than a licensed regular formal dwelling. Technical services, plus the charges connected with the construction process, cost about 20 percent of the total cost figure, in other words, 1 or 2 billion TL (roughly US\$725-1,450). This clearly indicates the relative importance of the high prices of technical services in shelters produced through different methods.

Administrative procedures

There are too many institutions and agencies that have been empowered by special legislation to be involved in the planning process. These include: The Ministry of Public Works and Settlement, metropolitan municipalities, district municipalities, boards of the protection of historical heritage, the Ministry of Tourism, executive boards of the organised industrial districts, Agency of Specially Protected Areas, Agency for Development of Southeastern Anatolia, Agency of Privatisation, etc.

Another factor increasing both the construction period and the cost is that despite the ideal classical role of the State confining itself merely to setting the general rules and providing co-ordination, the central government interferes with the powers and competencies of local authorities. That is not, of course, in compliance with the principle of subsidiarity. For example, according to the Law on Building Control of 2001 (No: 4708), the authorised institution is the Ministry of Public Works and Settlement. Although the Constitutional Court turned down some time ago a Law Amending Ordinance making the Ministry as the sole authorised institution in this field. It was violating the principle of decentralisation (Art.127 of the Constitution), the legislator recognised the same power to the Ministry once again with a new law. Such a power recognised to the central government causes delays and increases the cost. For example, a file coming from the province in Eastern Anatolia (Hakkari) takes three months to be finalised. This is also a source of increasing the power of the centre in the distribution of incremental values in urban land. Another example is the Refuge Byelaw, according to which Civil Defence Directory of the Ministry of the Interior that is not normally equipped with qualified technical staff is included in the process of planning. Finally, the boards of protection of cultural sites and buildings cause unnecessary delays in the project preparation stages by requiring working out technical projects by technically inadequate staff, which results in cost increases and in wastage of time.

Municipal charges are another source of expenditure. Article 84 of the Municipal Revenues Law clearly specifies the kind and amount of the charges to be paid. In some cases, municipal councils are authorised to levy charges according to specific tariffs set by themselves subject to the approval of the governor as the agent of the central government. Sometimes, the governors discriminate against some municipalities by refusing their application for increasing the rates of the charges on political grounds. This also leads to differentiation from one district to another between the charges collected in metropolitan municipalities. Unless such discrepancies are removed, municipal charges will continue to be reflected unevenly in the cost of the houses built in different locations. Subdivision and unification charges should not vary from district to district and all charges should be reorganised by a new legislation.

B. Owner of a development company

Planning regulations

Another important point that might affect illegal building is the enactment of a new Law in 2002 which added a new article to the Development and Planning Law of 1985 (No:3194), according to which essential infrastructure should be provided within six months to the construction without building or occupancy permit, provided that the owner of the construction certifies that one or several of the said services were already connected to them. Although it is stated in the Law that provision of these services could not be regarded as an acquired right, there is no doubt that since house builders will no longer have any motivation to receive an occupancy permit, the said law may be expected to encourage building illegal residences (see tables in Annex).

Planning standards

The prices of project preparation are too high. This encourages illegal building. There is also a need to ask for a receipt from the Professional Chamber, that was further increasing the

cost. The New Building Control Law that was put into force in 2001, lifted the rule to get a visa from professional chambers. At present, the situation is unclear.

The charges paid to the municipality are too high. In particular, participation charges on the construction of water, road and sewerage installations are discouragingly high. At least a fourth of these charges have to be paid in advance and the rest can be paid at the time of receiving the occupancy permit. It is interesting to note that despite the fact that the municipality received the total amount from the developer, it does not provide necessary infrastructure and sometimes prefers to allocate the accumulated funds to other purposes. The cost of the project of a building of 100 square metres, plus the cost of road and sewerage system installation, exceeds 10 percent of the total cost. Even that amount may suffice to build a one-storey house. Even in areas where infrastructure services are completed, infrastructure payments required by the municipality increase the total cost.

The contribution to the construction of a car park is too high. In addition, an area of at least 25 square metres has to be left free. Builders prefer illegal construction in order to escape these requirements, but by building shops on the ground floor, they break the law.

The recently promulgated building law caused a 3 percent increase in construction costs.

Administrative procedures

To get a building license in order to begin the construction takes more than two months. That waiting period is reflected in the total cost as an increase. Since commercial rates of interest at the time of writing are in the region of 35 percent a year, even short delays quickly become significant.

C. Developer in a Gecekondur Transformation Area

Planning regulations

On flat land within municipal boundaries, it takes one to two years to get the development plans (scales 1:5000 and 1:1000) prepared. If there is a master plan of 1:5000 scale for the same area, it takes about seven months to work out the implementation plan of a scale 1:1000. In order to get a special development permit from the planning authority for a partial development plan to realise independent subdivisions or special uses such as big shopping centres or resort villages, it would normally take 6 to 7 months. Since big businessmen, landowners or large construction firms strictly follow the procedures and even take over the responsibility of realising the needed infrastructure themselves, the time period mentioned above gets shorter in such cases. Of course, these terms may change depending upon the will and ability to realise these installations.

The respondent developer was asked then to make an attempt to underline the priorities that can be given to each item as the sub-components of administrative procedures. The assessment is given in Annex B, table-15–a and 15-b at the end of the paper.

Two points have to be touched upon briefly at this point. The first is concerned with the Real Estate Tax. There are complaints about the Real Estate Tax which is left to local authorities. Usually, homeowners declare low values to tax administration in order to escape from paying high taxes. For example, the value of a dwelling sold at 132 billion TL (US\$95,652) has been shown as 5 billion (US\$3,623.18). The value of a building site of 550 square metres in Dikmen recently was declared as 2 billion TL. (US\$1,449.27) while its real value was 138 billion TL. (US\$100,000). A recent law (No: 4736) rearranged the real estate tax by increasing the tax rates by 100 percent within the boundaries of metropolitan municipalities. However, upon increasing reaction from taxpayers, opposition parties and civil society organisations, the government had to stop implementation and began to prepare a new bill.

The second is concerned with the Earthquake Insurance scheme that was required by a new legislation put into force after the 1999 Marmara earthquake. Although it is an obligatory insurance, only five percent of the homeowners insured their dwellings according to recent official announcements. This increases the cost of construction by 3 percent. The same law also requires increasing the ground safety by making additional technical works, this may necessitate additional expenditure as high as 1.5 to 2 billion TL. (US\$1,086.95 - 1,449.27)

The developer believes that their efforts to transform gecekondu settlements into regular neighborhoods provide an opportunity to the inhabitants of those communities to live in legalised dwellings and settlements. This is certainly advantage for the society as a whole. Individual gecekondu owners get normally 40 to 50 percent of the new buildings constructed on their lands. The difference of value before and after transformation is tremendous. A flat in the same site is sold at about 150 billion TL. (US\$108,695.65)

He underlined the importance of the planning standards and added that human life cannot be measured by their costs. As the relative share of administrative procedures in the total cost, a figure of five percent was mentioned. Another 10 percent may be added for bribery depending upon the situation.

Planning standards

Working out various technical projects before the actual construction begins, such as static, geological base, sanitary and heating systems, elevator, electricity, water, natural gas, telephone and landscape design, takes about 5 to 6 months. Excavation begins following the receipt of the building permit. The cost of excavation may be as high as 3 to 5 billion TL. (US\$2,173-3,623) This figure may change from municipality to municipality, but particularly in sloping areas, it can rise to 25-30 billion TL (US\$18,115-21,739). A foundation visa has to be received from the municipality. Applications have to be made to the concerned departments for the connection of the electricity and water to the building site. After the termination of the walls, a heating visa is required from the municipality. Although the total cost of administrative procedures and charges to be paid vary by the size of the plot, it can be estimated to be around 15-20 billion TL (US\$10,870-14,493) for a parcel of 500 square metres. Approximately 10 percent of this amount may be regarded to be a non-pecuniary expense (in other words a bribe).

Safety, economy and aesthetics are three major factors in construction. Following the promulgation of the Building Control Law last year, the construction control company receives as much as 0.003 percent of the total cost. This is an inescapable payment for the well-being and survival of human beings, though it marginally increases the total cost.

As to the factors that might contribute to decreasing the cost, the responding developer made several suggestions:

- increasing the supply of land with adequate infrastructure,
- decreasing the charges up to reasonable levels,
- the prices of the building materials and their standards should be controlled with the help of the Turkish Institute of Standards,
- the property transaction tax has to be modified.

Administrative procedures

The cost of plan-making is set by minimum wage Bye-law of the Chamber of City Planners on the basis of the size of the area to be planned. 2001 prices for a architectural project was 123 million TL (US\$89) for A category buildings, 140 million TL (US\$101) for B category buildings and 210 million TL (US\$152) for C category buildings.

Administrative procedures until the receipt of the building permit are numerous. First of all, an enquiry is made to see whether there are particular environmental problems. From the

planning authority of the concerned municipality, a land registry certificate showing the ownership status of the land is obtained and an application is made. The next step is to obtain the documents, (having all necessary technical details like bench marks, extract of cadastral entry, etc.), from the municipality. The time needed for these formalities depends upon the ability of the technical departments of the municipality and the person concerned. The cost may change from city to city and according to the location of the site. Corners are more expensive. The costs also change according to the size of the site.

One should admit that all these formalities and bureaucratic steps cause an increase in the total cost. These increases are then reflected into the prices of the dwellings. The contractor adds roughly a profit of 20 to 25 percent to the real cost at present. When the cost of the bureaucracy is added, this figure increases to 30 percent. This means that the share of the administrative procedures in the total cost of a dwelling appears to be 5 percent. The prohibitive increase in the price of a regular, formal flat then encourages the family to break the laws and regulations.

As to the relative importance as a constraint in getting access to the low-cost housing market, an assessment of three major variables, namely planning regulations, planning standards and administrative procedures is made by the developer. Administrative procedures are singled out as the more important restraint compared to the two other variables, namely, planning regulations and planning standards.

He did not believe that planning standards and regulations would increase the total cost unjustifiably. He thought that this was the only way of creating healthy housing environments.

D. The authorised technical representative of a housing co-operative

The same questions that were asked of the developer operating in gecekondu settlements were also asked to the technical representative of a housing co-operative. Below is a summary of his responses:

According to the technical representative of the housing co-operative, planning regulations and planning standards are second order constraints, while the importance of administrative procedures is assessed as of least importance.

Planning regulations

If the State does not fulfil its duties, lower-income families have a natural right to take measures to build their own houses using all available means to reduce the cost. Of course, a house built overnight may not be a healthy shelter. As a result, they risk the health and future of their children.

As compared with 10 years ago, people trust each other less and this makes co-operative undertakings less attractive. Unqualified people should not be elected to the decision-making organs of non-profit housing organisations. The cost of the land component is about 20-25 percent and the cost of construction is about 25-30 percent in the total cost of co-operative housing. Since co-operatives are non-profit organisations, they may play a significant role in providing low-cost housing to the families who can afford to pay the sale prices in the market.

Administrative procedures

The respondent was then asked to make an assessment of the relative importance of each item or sub-component of the administrative procedures involved in development and planning.

Although land prices are much lower in unplanned settlements, we, as housing co-operatives, cannot take risks and uncertainties in the planning process and implementation. A housing co-operative can be established without having urban land. A co-operative may first be created just for acquiring land. The stage of the construction of dwellings comes later. A housing co-operative is established for a period of 30 years. A successful one may achieve its objectives (acquiring land and building houses) in 10 years. It is possible to create a co-operative within one month. Roughly one billion TL (US\$724) is needed for bureaucratic steps to be taken. Most often bribery mechanism is used in order to shorten the period of time needed to accomplish all formalities and to reduce the number of certificates required.

The co-operative received its building permit in 1996 and laid the foundations in the same year. It is expected that dwellings will be completed by 2005. 4 blocks of ten storeys are being built on a building site of 2000 square metres. The land is secured from their owners in exchange of a 50 percent share.

There are co-operatives that began construction without a building permit. They are ready to pay fines to the municipality later on. The average length of time required for the preparation of the projects may change according to the number of dwellings and the size of the site. At present, the cost of a project for 140 units is 40-50 billion TL (US\$28,985–36,232). The amount of all municipal charges is nearly 2 billion TL.(US\$1,450)

The total amount of all the charges, fees and other officially required expenditures incurred from the establishment of the co-operative until the delivery of the dwelling units constitutes as much as 10 percent of the total cost. Bribes and other illegal expenses may account for up to 5 percent of the total. This figure may change depending on the municipality with which you work, the way in which the co-operative is managed and the extent to which the contractor is determined to finish the work on time.

The respondent claimed that new legislation on building control has more than doubled the total cost though this does not seem realistic. He also claimed that the period required to complete construction has been extended by 2 or 3 more years. In the meantime, membership fees increased by 60 percent. As a result, 10 percent of the co-operative members withdrew their membership and transferred their rights to others in exchange for a 10-20 percent profit margin annually.

The municipality receives several stamping fees and visa charges for the control of the construction process, yet it never accomplishes its controlling duty properly. Therefore, such payments are both baseless and unjustified. The co-operatives employ technical staff for building control anyway. If the professional technicians are employed by co-operatives, then the housing cost may be reduced by 10 to 20 percent.

Municipalities should not make a distinction between different housing co-operatives in implementing planning regulations and standards. Rules and regulations must be applied equally.

ANALYSIS

Evaluation of findings (substantive)

As in many developing countries, a considerable proportion of planning regulations, planning standards and administrative procedures, mostly imported from Western countries, are not followed in real life. In other words, there seems to be a striking gap, or incompatibility, between the reality of development and the existing goals of the regulatory framework. In large part, the reason lies in the fact that these regulations, standards and procedures are not formulated realistically and do not correspond to local conditions. Therefore a need arises, in the context of Turkey also, to realise certain revisions in order to guide development in such a way that the poor should not be forced to break the law or regulations.

Based on the opinions expressed during the interviews, personal observations and the examination of all available data, it appears that the regulatory framework plays a significant role in influencing access to legal housing. Although the degree of constraint varies from one income category to another, the findings confirm that planning regulations, planning standards and administrative procedures commonly play a negative role in getting access to formal housing in Turkey. Administrative procedures and formalities that are excessively bureaucratic seem to be the number one constraint followed by planning standards and then planning regulations. Within the framework of this observation, “lowering the ladder” becomes a significant option for action in the Turkish context too. The details of the components of all these three categories of regulatory framework are given in the matrices below summarising the general findings of the research. It is obvious that the role of planning standards, planning regulations and administrative procedures in discouraging people to use regular and formal channels for housing is not negligible. However, there are also other factors of a more general nature that tend to make the solution of the problem more difficult. Urban land policies followed by the governments, terms of the housing credits highly affected by general economic conditions, financial and other inadequacies of the municipalities and the impact of world-wide globalisation upon the means of the poor to get access to the market of affordable housing are some of these additional constraints.

Floor area ratios, building setbacks (front, side and rear), maximum permitted height, prohibitions on sub-letting and bans on home-based economic enterprises are some of the specific regulatory constraints preventing the poor from conforming to official regulations.

Another substantive finding is that there are differences in the approach of central and local governments regarding the objectives and implementation of the regulatory framework for urban development and housing. Permitting local authorities to exercise greater flexibility would enable them to realise changes more easily and ensure that the regulatory framework reflected local needs and conditions. A delegation of power in such instances would enable the city of Ankara, for example, to help the poorest households in our survey sites to comply better with more realistically set rules.

As the pace of rural–urban migration in Ankara slows down, upgrading of the existing housing stock within existing built-up areas becomes more important than initiatives for new development. However, city authorities as well as housing co-operatives recognise that there is still a need for new affordable development.

Evaluation of findings (methodological)

The key sources of information for the research were various kinds of surveys carried out with the households, stakeholders, and in-depth interviews with relevant agents working in the land and housing sector. Of course, our final comments were not based solely on their

findings. Personal observations and the review of available materials produced and published by other researchers (Balamir (2001a, 2001b), Şenyapılı (1981,1983, 1998), Işık and Peynircioğlu (2001), and the views expressed in the local workshop have also been used in our analyses. It appears that there are similarities between the assessments of most of the observers with respect to the exact impact of the regulatory framework as affecting the entry into the regular housing market. It is also important to note that cumulative effect of individually minor effects should be taken into consideration in making overall evaluations.

Relying solely on quantitative materials would be misleading because the subject matter itself has considerable qualitative aspects changing from settlement to settlement, household to household and over time. Therefore our conclusions are not confined to the presentation of numerical conclusions only. It is obvious that pre-prepared matrices are quite useful in ensuring the comparability of the researches undertaken in all five case study countries. However a caution is needed in attempting to generalise the findings because there are significant socio-cultural and politico-administrative variations in different settings. Another point that has to be kept in mind is that in assessing the regulatory framework based on survey data, one should keep in mind this is a country where the annual inflation rate varies between 40 and 70 percent, comparability of the cost figures belonging to different periods would create a serious problem.